

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1406-01
Bill No.: HB 526
Subject: Children and Minors; Health Care; Health Department
Type: Original
Date: February 26, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$2,173,500 to \$6,520,500)	(\$2,686,446 to \$8,059,338)	(\$2,767,039 to \$8,301,118)
Total Estimated Net Effect on <u>All</u> State Funds	(\$2,173,500 TO \$6,520,500)	(\$2,686,446 TO \$8,059,338)	(\$2,767,039 TO \$8,301,118)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation** and the **Department of Conservation** assume this proposal would not fiscally impact their agencies.

Missouri Consolidated Health Care Plan (HCP) officials state the proposal would add some cost which the plans would defer to members through their premiums. HCP states the effect is expected to be minimal.

Officials from the **Department of Social Services (DOS)** state the proposal would not have a fiscal impact on the Division of Medical Services. DOS states the meningococcal vaccine is currently a covered Medicaid service for both fee-for-service and managed care plans.

Department of Insurance (INS) officials state HMOs would be required to amend contracts of coverage in order to comply with legislation under RSMo 376.1215. Amendments to contracts for coverage must be filed with INS. INS anticipates that current appropriations and staff would be able to absorb the work for implementation of this single proposal. However, if additional proposals are approved during the legislative session, the department would need to request additional staff to handle the increase in workload. INS estimates 29 HMOs would be required to file amendments to their policy form to comply with this proposal resulting in revenue of \$1,450. If multiple proposals pass during the legislative session which require policy form amendments to be filed, the insurers would probably file one amendment for all required mandates.

Officials from the Department of Health (DOH) state there are several types and strains of meningitis and no single or series of vaccines immunize against all of them. DOH states they believe this immunization requirement (PCV-7) could be added to the day care rule rather than the school statute and bases fiscal note assumptions on a program to immunize all children 12-23 months of age (one birth cohort). Therefore, if it is desired to have more children vaccinated than this one small age group, the costs would be substantially higher. DOH further states the Advisory Committee on Immunization Practices (ACIP) does not currently recommend routine vaccination with the quadrivalent meningococcal vaccine (brand name Menomune). However, DOH states it is recommended for certain high-risk groups and for use in control of serogroup C meningococcal outbreaks. DOH states there are approximately 75,000 children aged 12-23 months of age in Missouri. Approximately 37% (27,750) would be eligible to receive free PCV-7 vaccine through the federal Vaccines for Children (VFC) program. Of the remaining 63% (47,250) non-VFC-eligible children, approximately 30% (14,175) currently receive their immunizations from the local public health agencies (LPHAs). However, if PCV-7 immunization would become a requirement for school attendance, DOH assumes that as many as 90% (42,525) may go to the LPHAs because PCV-7 immunization would be added to the

ASSUMPTION (continued)

Recommended Childhood Immunization Schedule. DOH states since it has not been a recommended vaccine until recently, most children probably have not received it. Furthermore, numerous insurance companies are exempt from the provisions of Missouri's first dollar immunization insurance law. For those companies that aren't exempt, they don't have to cover PCV-7 immunization until policies renew, which could take a year to cycle through. Finally, since four doses of PCV-7 in the private sector cost \$232 (not including administration fees and office visit charges), most parents probably would not want to pay these expenses out of their pockets and would seek to have some other entity pay the expense (insurance and or government). The PCV-7 immunization series consists of four doses, and each dose costs \$46 in the public sector.

MINIMUM: 14,175 children X \$46 per dose X 4 doses = \$2,608,200

MAXIMUM: 42,525 children X \$46 per dose X 4 doses = \$7,824,600

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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GENERAL REVENUE FUND

Costs - Department of Health

Meningitis vaccines	(\$2,172,500 to \$6,520,500)	(\$2,686,446 to \$8,059,338)	(\$2,767,039 to \$8,301,118)
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**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

<u>(\$2,172,500 TO \$6,520,500)</u>	<u>(\$2,686,446 TO \$8,059,338)</u>	<u>(\$2,767,039 TO \$8,301,118)</u>
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INSURANCE DEDICATED FUND

Income - Department of Insurance

Form filing fees	<u>\$1,450</u>	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED NET EFFECT ON
INSURANCE DEDICATED FUND**

<u>\$1,450</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would add meningitis to the list of diseases which require an immunization for children attending public, private, parochial, or parish schools.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
Department of Health
Department of Social Services
Missouri Consolidated Health Care Plan
Department of Insurance
Department of Conservation

**NOT RESPONDING: Department of Elementary and Secondary Education and
Department of Public Safety - Missouri State Highway Patrol**



Jeanne Jarrett, CPA
Director

February 26, 2001